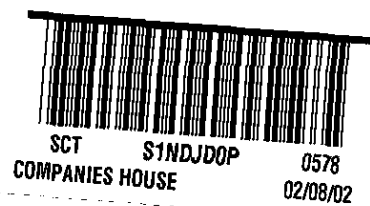


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**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2001
FOR
PHOENIX COMPLETION SERVICES LIMITED**



PHOENIX COMPLETION SERVICES LIMITED

COMPANY INFORMATION
for the Year Ended 31 October 2001

DIRECTORS:

Bruce Alexander Whyte
Linda Jean Whyte
Antony Bruce Whyte

SECRETARY:

Peterkins

REGISTERED OFFICE:

100 Union Street
Aberdeen
AB9 1QQ

REGISTERED NUMBER:

80233 (Scotland)

ACCOUNTANTS:

Acumen Accountants and Advisors Limited
Bon Accord House
Riverside Drive
ABERDEEN
AB11 7SL

PHOENIX COMPLETION SERVICES LIMITED

**REPORT OF THE DIRECTORS
for the Year Ended 31 October 2001**

The directors present their report with the financial statements of the company for the year ended 31 October 2001.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of engineering consultants in the oil industry.

DIRECTORS

The directors during the year under review were:

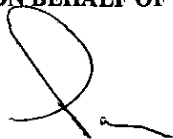
Bruce Alexander Whyte
Linda Jean Whyte
Antony Bruce Whyte

The beneficial interests of the directors holding office on 31 October 2001 in the issued share capital of the company were as follows:

	31.10.01	1.11.00
Ordinary £1 shares		
Bruce Alexander Whyte	8,780	8,780
Linda Jean Whyte	8,780	8,780
Antony Bruce Whyte	2,440	2,440

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



Peterkins - SECRETARY

Dated: 25 July 2002

PHOENIX COMPLETION SERVICES LIMITED

PROFIT AND LOSS ACCOUNT
for the Year Ended 31 October 2001

	Notes	2001		2000	
		£	£	£	£
TURNOVER			179,059		189,903
Cost of sales			<u>1,397</u>		<u>1,888</u>
GROSS PROFIT			177,662		188,015
Administrative expenses			<u>92,132</u>		<u>79,598</u>
OPERATING PROFIT	2		85,530		108,417
Income from investments		330		773	
Interest receivable and similar income		<u>5,327</u>	<u>5,657</u>	<u>4,732</u>	<u>5,505</u>
			91,187		113,922
Interest payable and similar charges			<u>623</u>		<u>227</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			90,564		113,695
Tax on profit on ordinary activities	3		<u>18,654</u>		<u>22,907</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			71,910		90,788
Dividends	4		<u>20,000</u>		<u>21,150</u>
			51,910		69,638
Retained profit brought forward			<u>184,068</u>		<u>114,430</u>
RETAINED PROFIT CARRIED FORWARD			<u><u>£235,978</u></u>		<u><u>£184,068</u></u>

The notes form part of these financial statements

PHOENIX COMPLETION SERVICES LIMITED

BALANCE SHEET

31 October 2001

		2001		2000	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	5		42,380		49,640
Investments	6		86,768		86,769
			<u>129,148</u>		<u>136,409</u>
CURRENT ASSETS:					
Debtors	7	17,726		35,721	
Cash at bank		<u>156,129</u>		<u>92,970</u>	
		173,855		128,691	
CREDITORS: Amounts falling due within one year	8	<u>42,493</u>		<u>51,967</u>	
NET CURRENT ASSETS:			<u>131,362</u>		<u>76,724</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			260,510		213,133
CREDITORS: Amounts falling due after more than one year	9		<u>4,532</u>		<u>9,065</u>
			<u>£255,978</u>		<u>£204,068</u>
CAPITAL AND RESERVES:					
Called up share capital	10		20,000		20,000
Profit and loss account			<u>235,978</u>		<u>184,068</u>
SHAREHOLDERS' FUNDS:			<u>£255,978</u>		<u>£204,068</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 October 2001.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 October 2001 in accordance with Section 249B(2) of the Companies Act 1985.

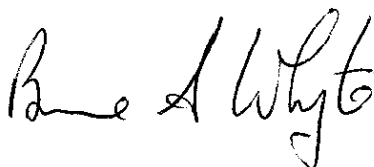
The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

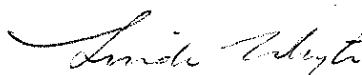
These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:

Bruce Alexander Whyte - DIRECTOR



Linda Jean Whyte - DIRECTOR



Approved by the Board on 25 July 2002

The notes form part of these financial statements

PHOENIX COMPLETION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 October 2001

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold property	- 4% on cost
Fixtures and fittings	- 10% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 33% on cost

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2001 £	2000 £
Depreciation - owned assets	7,260	2,404
Profit on disposal of fixed assets	-	(500)
Pension costs	2,604	2,552
Accountants remuneration	<u>1,400</u>	<u>1,400</u>
Directors' emoluments and other benefits etc	<u>51,983</u>	<u>51,233</u>

3. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2001 £	2000 £
Current tax:		
UK corporation tax	18,654	21,182
Underprovision of tax	-	1,725
Total current tax	<u>18,654</u>	<u>22,907</u>
Tax on profit on ordinary activities	<u>18,654</u>	<u>22,907</u>

UK corporation tax has been charged at 20% (2000 - 20%).

4. DIVIDENDS

	2001 £	2000 £
Interim Dividend	<u>20,000</u>	<u>21,150</u>

PHOENIX COMPLETION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 October 2001

5. TANGIBLE FIXED ASSETS

	Leasehold property	Fixtures and fittings	Motor vehicles	Computer equipment	Totals
	£	£	£	£	£
COST:					
At 1 November 2000 and 31 October 2001	43,082	27,664	41,425	5,222	117,393
DEPRECIATION:					
At 1 November 2000	14,909	26,524	22,000	4,320	67,753
Charge for year	1,723	190	4,856	491	7,260
At 31 October 2001	16,632	26,714	26,856	4,811	75,013
NET BOOK VALUE:					
At 31 October 2001	26,450	950	14,569	411	42,380
At 31 October 2000	28,174	1,140	19,425	901	49,640

6. FIXED ASSET INVESTMENTS

	£	
COST:		
At 1 November 2000 and 31 October 2001	<u>86,768</u>	
NET BOOK VALUE:		
At 31 October 2001	<u>86,768</u>	
At 31 October 2000	<u>86,769</u>	
	2001	2000
	£	£
Investments listed on recognised stock exchange	<u>86,768</u>	<u>86,769</u>

Market value of listed investments at 31 October 2001 - £86,768 (2000 - £86,769).

**7. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2001	2000
	£	£
Trade debtors	-	19,436
Accrued income	17,726	16,285
	17,726	35,721

PHOENIX COMPLETION SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 October 2001**

**8. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2001	2000
	£	£
Directors current accounts	1,967	3,001
Directors expense control a/c	4,288	-
Hire purchase	4,533	4,533
Other creditors	-	3,684
V.A.T.	9,840	14,927
Social security & other taxes	1,611	3,240
Taxation	18,654	21,182
Accruals	1,600	1,400
	<u>42,493</u>	<u>51,967</u>

**9. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	2001	2000
	£	£
Hire purchase	<u>4,532</u>	<u>9,065</u>

10. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2001	2000
			£	£
20,000	Ordinary	£1	<u>20,000</u>	<u>20,000</u>